

Senate File 2374 - Reprinted

SENATE FILE _____
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO SSB 3235)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act containing various provisions relating to business
2 entities, including corporations, limited liability companies,
3 and nonprofit corporations.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 SF 2374
6 da/cc/26

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1 1 DIVISION I
1 2 BUSINESS CORPORATIONS
1 3 Section 1. Section 490.401, subsection 2, paragraph b,
1 4 Code Supplement 2005, is amended by striking the paragraph and
1 5 inserting in lieu thereof the following:
1 6 b. A name reserved, registered, or protected as follows:
1 7 (1) For a limited liability partnership, section 486A.1001
1 8 or 486A.1002.
1 9 (2) For a limited partnership, section 488.108, 488.109,
1 10 or 488.810.
1 11 (3) For a business corporation, this section, or section
1 12 490.402, 490.403, or 490.1422.
1 13 (4) For a limited liability company, section 490A.401 or
1 14 490A.402.
1 15 (5) For a nonprofit corporation, section 504.401, 504.402,
1 16 504.403, or 504.1423.
1 17 Sec. 2. Section 490.401, subsection 5, Code Supplement
1 18 2005, is amended to read as follows:
1 19 5. This chapter does not control the use of fictitious
1 20 names; however, if a corporation or a foreign corporation uses
1 21 a fictitious name in this state it shall deliver to the
1 22 secretary of state for filing a certified copy of the
1 23 resolution of its board of directors, ~~certified by its~~
~~1 24 secretary filed and executed according to section 490.120,~~
1 25 adopting the fictitious name.
1 26 Sec. 3. Section 490.630, subsection 1, Code 2005, is
1 27 amended to read as follows:
1 28 1. ~~Unless section 490.1704 is applicable to the~~
~~1 29 corporation, the~~ The shareholders of a corporation do not have
1 30 a preemptive right to acquire the corporation's unissued
1 31 shares except to the extent the articles of incorporation so
1 32 provide.
1 33 Sec. 4. Section 490.704, subsection 1, Code 2005, is
1 34 amended to read as follows:
1 35 1. Unless otherwise provided in the articles of
2 1 incorporation, any action required or permitted by this
2 2 chapter to be taken at a shareholders' meeting may be taken
2 3 without a meeting or vote, and, except as provided in
2 4 subsection 5, without prior notice, if one or more written
2 5 consents describing the action taken are signed by the holders
2 6 of outstanding shares having not less than ~~ninety percent of~~
~~2 7 the votes entitled to be cast the minimum number of votes that~~
~~2 8 would be necessary to authorize or take such action at a~~
2 9 meeting at which all shares entitled to vote on the action
2 10 were present and voted, and are delivered to the corporation
2 11 for inclusion in the minutes or filing with the corporate
2 12 records.
2 13 Sec. 5. Section 490.1422, subsection 1, paragraph c, Code
2 14 2005, is amended to read as follows:
2 15 c. ~~State~~ If the application is received more than five
~~2 16 years after the effective date of dissolution, state a~~
2 17 corporate name that satisfies the requirements of section

2 18 490.401.
2 19 Sec. 6. Section 490.1506, subsection 2, paragraph b, Code
2 20 2005, is amended to read as follows:
2 21 b. A ~~corporate~~ name reserved ~~or, registered under, or~~
2 22 ~~protected as provided in~~ section 490.402 or 490.403.
2 23 Sec. 7. Section 534.508, subsection 1, Code 2005, is
2 24 amended to read as follows:
2 25 1. IN GENERAL. Sections 490.601 through 490.604, 490.620
2 26 through 490.628, and 490.630, ~~and 490.1704~~ apply to stock
2 27 associations.
2 28 Sec. 8. Sections 490.1704 and 490.1705, Code 2005, are
2 29 repealed.

2 30 DIVISION II

2 31 LIMITED LIABILITY COMPANIES

2 32 Sec. 9. Section 490A.131, subsection 4, Code Supplement
2 33 2005, is amended to read as follows:
2 34 4. If a filed biennial report contains an address of a
2 35 ~~designated registered~~ office or the name or address of ~~an a~~
3 1 ~~registered agent for service of process~~ which differs from the
3 2 information shown in the records of the secretary of state
3 3 immediately before the filing, the differing information in
3 4 the biennial report is considered a statement of change under
3 5 section 490A.502.

3 6 Sec. 10. Section 490A.201, Code 2005, is amended to read
3 7 as follows:

3 8 490A.201 PURPOSES.

3 9 1. A limited liability company organized under this
3 10 chapter has the purpose of engaging in any lawful ~~business~~
3 11 ~~activity~~ unless a more limited purpose is set forth in the
3 12 articles of organization.

3 13 2. A limited liability company engaging in ~~a business an~~
3 14 ~~activity~~ that is subject to regulation under another statute
3 15 of this state may organize under this chapter only if
3 16 permitted by, and subject to all limitations of, the other
3 17 statute.

3 18 Sec. 11. Section 490A.305, subsection 2, paragraph b, Code
3 19 2005, is amended to read as follows:

3 20 b. Separate and distinct records are maintained for ~~the~~
3 21 ~~that series and separate and distinct records account for the~~
3 22 ~~assets associated with the that series are held and. The~~
3 23 ~~assets associated with a series must be~~ accounted for
3 24 separately from the other assets of the limited liability
3 25 company, ~~or from any other series of the limited liability~~
3 26 ~~company including another series.~~

3 27 Sec. 12. Section 490A.305, subsection 13, Code 2005, is
3 28 amended to read as follows:

3 29 13. A foreign limited liability company that is
3 30 ~~registering authorized~~ to do business in this state under ~~this~~
3 31 ~~chapter subchapter XIV~~ which is governed by an operating
3 32 agreement that establishes or provides for the establishment
3 33 of designated series of members, managers, or membership
3 34 interests having separate rights, powers, or duties with
3 35 respect to specified property or obligations of the foreign
4 1 limited liability company, or profits and losses associated
4 2 with the specified property or obligations, shall indicate
4 3 that fact on the application for ~~registration a certificate of~~
4 4 ~~authority~~ as a foreign limited liability company. In
4 5 addition, the foreign limited liability company shall state on
4 6 the application whether the debts, liabilities, and
4 7 obligations incurred, contracted for, or otherwise existing
4 8 with respect to a particular series, if any, are enforceable
4 9 against the assets of such series only, and not against the
4 10 assets of the foreign limited liability company generally.

4 11 Sec. 13. Section 490A.1401, Code 2005, is amended to read
4 12 as follows:

4 13 490A.1401 LAW GOVERNING.

4 14 The law of the state or other jurisdiction under which a
4 15 foreign limited liability company is formed governs its
4 16 formation and internal affairs and the liability of its
4 17 members and managers. A foreign limited liability company
4 18 shall not be denied ~~registration a certificate of authority~~ by
4 19 reason of any difference between those laws and the laws of
4 20 this state. A foreign limited liability company holding a
4 21 valid ~~registration certificate of authority~~ in this state
4 22 shall have no greater rights and privileges than a domestic
4 23 limited liability company. The ~~registration certificate of~~
4 24 ~~authority~~ shall not be deemed to authorize the foreign limited
4 25 liability company to exercise any of its powers or purposes
4 26 that a domestic limited liability company is forbidden by law
4 27 to exercise in this state.

4 28 Sec. 14. Section 490A.1404, unnumbered paragraph 1, Code

4 29 2005, is amended to read as follows:

4 30 A certificate of ~~registration authority~~ shall not be issued
4 31 to a foreign limited liability company unless the name of the
4 32 limited liability company satisfies the requirements of
4 33 section 490A.401. To obtain or maintain a certificate of
4 34 ~~registration authority~~, the company shall comply with the
4 35 following:

5 1 Sec. 15. Section 490A.1405, Code 2005, is amended to read
5 2 as follows:

5 3 490A.1405 CHANGE AND AMENDMENT.

5 4 If any statement in the application for ~~registration a~~
5 5 ~~certificate of authority~~ of a foreign limited liability

5 6 company was false when made or any arrangements or other facts
5 7 described have changed, making the application inaccurate in
5 8 any respect, the foreign limited liability company shall
5 9 promptly deliver to the secretary of state for filing articles
5 10 of correction correcting such statement as required by section
5 11 490A.123.

5 12 Sec. 16. Section 490A.1406, subsection 1, paragraph b,
5 13 Code 2005, is amended to read as follows:

5 14 b. That the foreign limited liability company is not
5 15 transacting business in this state and that it surrenders its
5 16 ~~registration certificate of authority~~ to transact business in
5 17 this state.

5 18 Sec. 17. Section 490A.1406, subsection 2, Code 2005, is
5 19 amended to read as follows:

5 20 2. The certificate of ~~registration authority~~ shall be
5 21 canceled upon the filing of the certificate of cancellation by
5 22 the secretary of state.

5 23 Sec. 18. Section 490A.1410, subsection 2, unnumbered
5 24 paragraph 1, Code 2005, is amended to read as follows:

5 25 A certificate of ~~registration authority~~ of a foreign
5 26 limited liability company shall not be revoked by the
5 27 secretary of state, unless both of the following apply:

5 28 DIVISION III

5 29 NONPROFIT CORPORATIONS

5 30 Sec. 19. Section 504.403, subsection 1, paragraph b, Code
5 31 Supplement 2005, is amended by striking the paragraph and
5 32 inserting in lieu thereof the following:

5 33 b. A name reserved, registered, or protected as follows:

5 34 (1) For a limited liability partnership, section 486A.1001
5 35 or 486A.1002.

6 1 (2) For a limited partnership, section 488.108, 488.109,
6 2 or 488.810.

6 3 (3) For a business corporation, section 490.401, 490.402,
6 4 490.403, or 490.1422.

6 5 (4) For a limited liability company, section 490A.401 or
6 6 490A.402.

6 7 (5) For a nonprofit corporation, this section or section
6 8 501.401, 501.402, or 504.1423.

6 9 Sec. 20. Section 504.702, subsection 1, paragraph b, Code
6 10 2005, is amended to read as follows:

6 11 b. Except as provided in the articles or bylaws of a
6 12 ~~religious~~ corporation, if the holders of at least five percent
6 13 of the voting power of any corporation sign, date, and deliver
6 14 to any corporate officer one or more written demands for the
6 15 meeting describing the purpose for which it is to be held.
6 16 Unless otherwise provided in the articles of incorporation, a
6 17 written demand for a special meeting may be revoked by a
6 18 writing to that effect received by the corporation prior to
6 19 the receipt by the corporation of demands sufficient in number
6 20 to require the holding of a special meeting.

6 21 Sec. 21. Section 504.808, subsection 10, unnumbered
6 22 paragraph 1, Code 2005, is amended to read as follows:

6 23 The articles or bylaws of a ~~religious~~ corporation may do
6 24 both of the following:

6 25 Sec. 22. Section 504.901, Code Supplement 2005, is amended
6 26 to read as follows:

6 27 504.901 PERSONAL LIABILITY.

6 28 1. Except as otherwise provided in this chapter, a
6 29 director, officer, employee, or member of a corporation is not
6 30 liable for the corporation's debts or obligations and a
6 31 director, officer, member, or other volunteer is not
6 32 personally liable in that capacity to any person for any
6 33 action taken or failure to take any action in the discharge of
6 34 the person's duties except liability for any of the following:

6 35 1- a. The amount of any financial benefit to which the
7 1 person is not entitled.

7 2 2- b. An intentional infliction of harm on the
7 3 corporation or the members.

7 4 3- c. A violation of section 504.835.

7 5 ~~4. d.~~ An intentional violation of criminal law.
7 6 ~~2. A provision set forth in the articles of incorporation~~
7 7 ~~eliminating or limiting the liability of a director to the~~
7 8 ~~corporation or its members for money damages for any action~~
7 9 ~~taken, or any failure to take any action, pursuant to section~~
7 10 ~~504.202, subsection 2, paragraph "d", shall not affect the~~
7 11 ~~applicability of this section.~~

7 12 Sec. 23. Section 504.1001, Code 2005, is amended to read
7 13 as follows:

7 14 504.1001 AUTHORITY TO AMEND.

7 15 A corporation may amend its articles of incorporation at
7 16 any time to add or change a provision that is required or
7 17 permitted in the articles as of the effective date of the
7 18 amendment or to delete a provision that is not required to be
7 19 contained in the articles of incorporation. ~~Whether a~~
7 20 ~~provision is required or permitted in the articles is~~
7 21 ~~determined as of the effective date of the amendment.~~

7 22 Sec. 24. Section 504.1002, subsection 1, Code 2005, is
7 23 amended to read as follows:

7 24 1. Unless the articles of incorporation provide otherwise,
7 25 a corporation's board of directors may adopt ~~one or more~~
7 26 amendments to the corporation's articles of incorporation
7 27 without member approval to do for any of the following
7 28 purposes:

7 29 a. ~~Extend~~ To extend the duration of the corporation if it
7 30 was incorporated at a time when limited duration was required
7 31 by law.

7 32 b. ~~Delete~~ To delete the names and addresses of the initial
7 33 directors.

7 34 c. ~~Delete~~ To delete the name and address of the initial
7 35 registered agent or registered office, if a statement of
8 1 change is on file with the secretary of state.

8 2 d. ~~Change~~ To change the corporate name by substituting the
8 3 word "corporation", "incorporated", "company", "limited", or
8 4 the abbreviation "corp.", "inc.", "co.", or "ltd.", for a
8 5 similar word or abbreviation in the name, or by adding,
8 6 deleting, or changing a geographical attribution to the name.

8 7 e. ~~Make~~ To make any other change expressly permitted by
8 8 this subchapter to be made by director action.

8 9 Sec. 25. Section 504.1005, unnumbered paragraph 1, Code
8 10 2005, is amended to read as follows:

8 11 ~~After an amendment to the articles of incorporation has~~
8 12 ~~been adopted and approved in the manner required by this~~
8 13 ~~chapter and by the articles of incorporation or bylaws, the~~
8 14 ~~corporation amending its articles shall deliver to the~~
8 15 ~~secretary of state, for filing, articles of amendment setting~~
8 16 ~~forth:~~

8 17 Sec. 26. Section 504.1005, subsections 4 and 5, Code 2005,
8 18 are amended to read as follows:

8 19 4. If approval by members was not required, ~~a statement to~~
8 20 ~~that effect and a statement that the amendment was duly~~
8 21 ~~approved by a sufficient vote of the incorporators or by the~~
8 22 ~~board of directors or incorporators, as the case may be, and~~
8 23 ~~that member approval was not required.~~

8 24 5. If approval by members was required, ~~both of the~~
8 25 ~~following:~~

8 26 a. ~~The designation, number of memberships outstanding,~~
8 27 ~~number of votes entitled to be cast by each class entitled to~~
8 28 ~~vote separately on the amendment, and number of votes of each~~
8 29 ~~class indisputably voting on the amendment.~~

8 30 b. ~~Either the total number of votes cast for and against~~
8 31 ~~the amendment by each class entitled to vote separately on the~~
8 32 ~~amendment or the total number of undisputed votes cast for the~~
8 33 ~~amendment by each class and a statement that the number of~~
8 34 ~~votes cast for the amendment by each class was sufficient for~~
8 35 ~~approval by that class duly approved by the members in the~~
9 1 ~~manner required by this chapter, the articles of~~
9 2 ~~incorporation, and bylaws.~~

9 3 Sec. 27. Section 504.1006, Code 2005, is amended to read
9 4 as follows:

9 5 504.1006 RESTATED ARTICLES OF INCORPORATION.

9 6 1. A corporation's board of directors may restate the
9 7 corporation's articles of incorporation at any time with or
9 8 without approval by members or any other person, to
9 9 consolidate all amendments into a single document.

9 10 2. ~~The restatement may~~ If the restated articles include
9 11 one or more new amendments to the articles. ~~If the~~
9 12 ~~restatement includes an amendment requiring that require~~
9 13 approval by the members or any other person, ~~it~~ the amendments
9 14 must be adopted as provided in section 504.1003.

9 15 3. ~~If the restatement includes an amendment requiring~~

~~9 16 approval by members, the board must submit the restatement to~~
~~9 17 the members for their approval.~~

~~9 18 4. If the board seeks to have the restatement approved by~~
~~9 19 the members at a membership meeting, the corporation shall~~
~~9 20 notify each of its members of the proposed membership meeting~~
~~9 21 in writing in accordance with section 504.705. The notice~~
~~9 22 must also state that the purpose, or one of the purposes, of~~
~~9 23 the meeting is to consider the proposed restatement and must~~
~~9 24 contain or be accompanied by a copy or summary of the~~
~~9 25 restatement that identifies any amendments or other changes~~
~~9 26 the restatement would make in the articles.~~

~~9 27 5. If the board seeks to have the restatement approved by~~
~~9 28 the members by written ballot or written consent, the material~~
~~9 29 soliciting the approval shall contain or be accompanied by a~~
~~9 30 copy or summary of the restatement that identifies any~~
~~9 31 amendments or other changes the restatement would make in the~~
~~9 32 articles.~~

~~9 33 6. A restatement requiring approval by the members must be~~
~~9 34 approved by the same vote as an amendment to articles under~~
~~9 35 section 504.1003.~~

10 1 ~~7. 3. If the restatement includes an amendment requiring~~
10 2 approval pursuant to section 504.1031, the board must submit
10 3 the restatement for such approval.

10 4 ~~8. 4. A corporation restating that restates its articles~~
10 5 ~~of incorporation shall deliver to the secretary of state for~~
10 6 ~~filing articles of restatement setting forth the name of the~~
10 7 corporation and the text of the restated articles of
10 8 incorporation together with a certificate setting forth all of
10 9 the following:

10 10 a. Whether the restatement contains an amendment to the
10 11 articles requiring approval by the members or any other person
10 12 other than the board of directors and, if it does not, that
10 13 the board of directors adopted the restatement.

10 14 b. If the restatement contains an amendment to the
10 15 articles requiring approval by the members, the information
10 16 required by section 504.1005.

10 17 c. If the restatement contains an amendment to the
10 18 articles requiring approval by a person whose approval is
10 19 required pursuant to section 504.1031, a statement that such
10 20 approval was obtained stating that the restated articles
10 21 consolidate all amendments into a single document. If a new
10 22 amendment is included in the restated articles, the
10 23 corporation shall include the statement required in section
10 24 504.1005.

10 25 ~~9. 5. Duly adopted restated articles of incorporation~~
10 26 supersede the original articles of incorporation and all
10 27 amendments to the original articles of incorporation.

10 28 ~~10. 6. The secretary of state may certify restated~~
10 29 articles of incorporation as the articles of incorporation
10 30 currently in effect without including the certificate
10 31 information required by subsection 8 4.

10 32 Sec. 28. Section 504.1007, subsection 1, Code 2005, is
10 33 amended to read as follows:

10 34 1. A corporation's articles may be amended without board
10 35 approval or approval by the members or approval required
11 1 pursuant to section 504.1031 to carry out a plan of
11 2 reorganization ordered or decreed by a court of competent
11 3 jurisdiction under federal statute if the articles after
11 4 amendment contain only provisions required or permitted by
11 5 section 504.202 the authority of law of the United States.

11 6 Sec. 29. Section 504.1008, Code Supplement 2005, is
11 7 amended to read as follows:

11 8 504.1008 EFFECT OF AMENDMENT AND RESTATEMENT.

11 9 An amendment to the articles of incorporation does not
11 10 affect a cause of action existing against or in favor of the
11 11 corporation, a proceeding to which the corporation is a party,
11 12 any requirement or limitation imposed upon the corporation, or
11 13 any property held by it by virtue of any trust upon which such
11 14 property is held by the corporation, or the existing rights of
11 15 persons other than members of the corporation. An amendment
11 16 changing a corporation's name does not abate a proceeding
11 17 brought by or against the corporation in its former name.

11 18 Sec. 30. Section 504.1506, subsection 2, paragraph b, Code
11 19 Supplement 2005, is amended to read as follows:

11 20 b. A corporate name reserved, or registered under, or
11 21 protected as provided in section 490.402 or 490.403 or section
11 22 504.402 or 504.403.

11 23 Sec. 31. NEW SECTION. 504.1607 EXCEPTION TO NOTICE
11 24 REQUIREMENT.

11 25 1. Whenever notice is required to be given under any
11 26 provision of this chapter to any member, such notice shall not

11 27 be required to be given if notice of two consecutive annual
11 28 meetings, and all notices of meetings during the period
11 29 between such two consecutive annual meetings, have been sent
11 30 to the member at the member's address as shown on the records
11 31 of the corporation and have been returned as undeliverable.
11 32 2. If the member delivers to the corporation a written
11 33 notice setting forth the member's then-current address, the
11 34 requirement that notice be given to the member shall be
11 35 reinstated.

12 1 EXPLANATION

12 2 This bill is divided into a number of divisions
12 3 corresponding to Code chapters governing different forms of
12 4 business entities, including division I which amends
12 5 provisions in Code chapter 490 governing business
12 6 corporations, division II which amends provisions in Code
12 7 chapter 490A governing limited liability companies, and
12 8 division III amending provisions in Code chapter 504 governing
12 9 nonprofit corporations.

12 10 DIVISION I == BUSINESS CORPORATIONS. Code section 490.401
12 11 restricts how a business corporation may name itself. The
12 12 division provides that the name must be distinguished from
12 13 names of other business entities in existence or which may be
12 14 reinstated following administrative dissolution, including a
12 15 limited liability partnership (Code chapter 486A), a limited
12 16 partnership (Code chapter 488), another business corporation,
12 17 a limited liability company (Code chapter 490A), or a
12 18 nonprofit corporation (Code chapter 504).

12 19 Code section 490.401 is amended to allow a business
12 20 corporation to file a certified copy of a resolution with the
12 21 secretary of state to use a fictitious name.

12 22 Code section 490.704 is amended to allow a business
12 23 corporation to take action without a meeting with the consent
12 24 of shareholders having the minimum number of votes required to
12 25 authorize the action at a meeting.

12 26 Code section 490.1422 provides procedures for reinstatement
12 27 by the secretary of state. The division provides that a
12 28 corporation does not relinquish the right to retain its
12 29 corporate name if the reinstatement is effective within five
12 30 years of the effective date of the corporation's dissolution.

12 31 DIVISION II == LIMITED LIABILITY COMPANIES. Code section
12 32 490A.131 requires a limited liability company to deliver a
12 33 biennial report to the secretary of state. The division
12 34 provides that the report must include the name and address of
12 35 the limited liability company's registered office and agent.

13 1 Code section 490A.201 is amended to provide that a limited
13 2 liability company may have as its purpose any lawful activity,
13 3 not just a lawful business activity.

13 4 Code section 490A.305 is amended to further describe the
13 5 requirements for maintenance of separate and distinct records
13 6 associated with a series of members, managers, or membership
13 7 interests of a limited liability company.

13 8 In addition, the division amends Code sections 490A.305,
13 9 490A.1401, 409A.1405, 490A.1406, and 490A.1410 by making
13 10 terminology changes in Code chapter 490A relating to the
13 11 issuance of certificates of authority to foreign limited
13 12 liability companies.

13 13 DIVISION III == NONPROFIT CORPORATIONS. Code section
13 14 504.401 restricts how a nonprofit corporation may name itself.
13 15 The division amends Code section 504.403 to provide that the
13 16 registered name must be distinguished from names of other
13 17 business entities in existence or which may be reinstated
13 18 following dissolution, in the same manner as the business
13 19 entities described in division I.

13 20 Code section 504.702 is amended to provide that any
13 21 nonprofit corporation, not just a religious corporation, can
13 22 alter the statutory demand requirements for holding a special
13 23 meeting of the corporation in its corporate articles or
13 24 bylaws.

13 25 Code section 504.808 is amended to provide that any
13 26 nonprofit corporation, not just a religious corporation, can
13 27 alter the statutory requirements for removal of elected
13 28 corporate directors in its corporate articles or bylaws.

13 29 Code section 504.901 provides personal liability for
13 30 directors. The division amends the section by providing that
13 31 a provision in a nonprofit corporation's articles of
13 32 incorporation limiting personal liability of a director does
13 33 not affect provisions in the Code section which shield a
13 34 director or member from assuming debts of the nonprofit
13 35 corporation.

14 1 Code section 504.1001 is amended to make the language
14 2 consistent with Code section 490.1001, relating to business

14 3 corporations, by providing that a nonprofit corporation has
14 4 the authority to amend its articles of incorporation by adding
14 5 or changing a provision that is required or permitted in the
14 6 articles of incorporation as of the effective date of the
14 7 amendment, or to delete a provision not required in the
14 8 articles of incorporation.

14 9 Code section 504.1002 is amended to make the language
14 10 consistent with Code section 490.1005 relating to business
14 11 corporations, providing for amendments of articles of
14 12 incorporation by corporate directors.

14 13 Code section 504.1005 is amended to make the language
14 14 consistent with Code section 490.1006 relating to business
14 15 corporations, and provides that articles of amendment of a
14 16 nonprofit corporation be adopted and approved as required by
14 17 law and by the corporate articles or bylaws before being
14 18 delivered to the secretary of state for filing.

14 19 Code section 504.1005 is amended to make the language
14 20 consistent with Code section 490.1006 relating to business
14 21 corporations, and provides that the articles of amendment of a
14 22 nonprofit corporation must include a statement that member
14 23 approval was not required and the amendment was approved by
14 24 the incorporators or directors, or a statement that member
14 25 approval was required and was approved as required by law and
14 26 by the corporate articles or bylaws.

14 27 Code section 504.1006 is also amended to make the language
14 28 consistent with Code section 490.1007 relating to business
14 29 corporations, and provides that a nonprofit corporation's
14 30 board of directors may consolidate all amendments into a
14 31 single restated article of incorporation, any new amendments
14 32 included in the restated articles that require approval must
14 33 meet the requirements for amendments contained in Code section
14 34 504.1003, and restated articles of incorporation must be
14 35 delivered to the secretary of state for filing accompanied by
15 1 a certificate stating that the restated articles consolidate
15 2 all amendments into one document and, if new amendments are
15 3 included, the statement required under Code section 504.1005.

15 4 Code section 504.1007 is amended to make the language
15 5 consistent with Code section 490.1008 relating to business
15 6 corporations, and provides that a nonprofit corporation's
15 7 articles may be amended without board or member approval or
15 8 approval by a third person under Code section 504.1031 to
15 9 carry out a plan of reorganization ordered by a court of
15 10 competent jurisdiction under the authority of United States
15 11 law.

15 12 Code section 504.1008 is amended to make the language
15 13 consistent with Code section 490.1009, relating to business
15 14 corporations, and is a technical correction.

15 15 New Code section 504.1607 provides that notice to a member
15 16 of a nonprofit corporation is no longer required if notice of
15 17 two consecutive annual meetings and all notices of meetings
15 18 between the two consecutive annual meetings have been sent to
15 19 the member at the address of record and returned as
15 20 undeliverable. The notice requirement can be reinstated if
15 21 the member delivers written notice of the member's current
15 22 address to the corporation.

15 23 LSB 5201SV 81
15 24 da:nh/sh/8